



Facilities and Infrastructure Recapitalization Program (FIRP) and Corporate Facilities Management



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The Need to Recapitalize the Nuclear Weapons Complex

- **To refurbish the production complex requires additional funding of some \$450M annually over a 17 year period**
 - OSD PA&E Review (1999)

- **There is not a complex-wide coordinated plan to achieve the required space reductions, to modernize the facilities, and to meet current and projected maintenance requirements**
 - Commission on Maintaining United States Nuclear Weapons Expertise (March 1999)

- **The Department will develop a plan for long-term recapitalization of the facilities in the nuclear weapons complex**
 - Action Plan from the Stockpile Stewardship Program 30-Day Review (Dec 1999)



Defense Programs' Assessment

June 2000

(Pre-NNSA)



- **Deterioration of the physical complex in the last 6 years is of significant concern**
- **Maintenance is frequently corrective (vice preventive), with some facilities being run to failure.**
- **Almost half the complex is half a century old.**
- **Unfunded priority requirements, to include maintenance backlog, are increasing by about \$200M a year**
- **There is a validated requirement to commit an additional \$500M annually to restore, rebuild and recapitalize the nuclear weapons complex**
- **Corporate facilities management is fragmented and without uniform standards**



NNSA's Office of Infrastructure and Facility Management (NA-52)

- Establish a senior advocate for the requirements of the nuclear weapons complex's facilities.
- Institutionalize professional and accountable corporate facilities management activities throughout NNSA
- Develop and manage the Facilities and Infrastructure Recapitalization Program (FIRP)
- Establish NNSA corporate facility management policies and conduct independent internal assessments to assure the Administrator that policies are being implemented and executed by the programs and field
 - adopting proven industry standards where possible



Facilities and Infrastructure Recapitalization Program

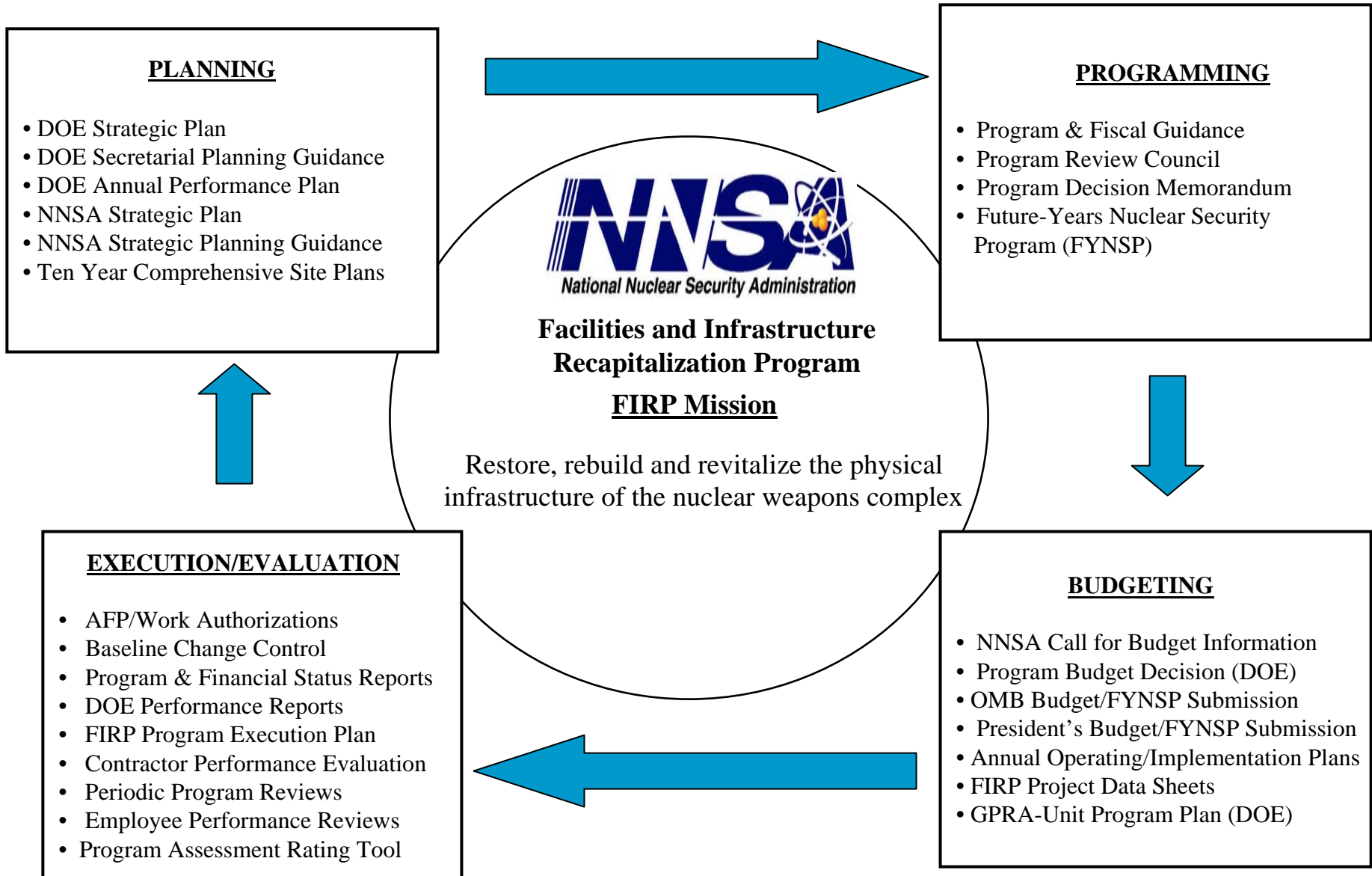
Vision

- By the end of FY 2005, NNSA will stabilize its deferred maintenance
- By the end of FY 2009, NNSA will reduce its deferred maintenance to within industry standards
- NNSA will institutionalize responsible and accountable facility management processes, including budgetary ones, so that the condition of facilities and infrastructure is maintained equal to or better than industry standards

Mission

Restore, rebuild and revitalize the physical infrastructure of the nuclear weapons complex – the third leg of the New Triad

FIRP is Implementing a Disciplined Management Process focused on Mission and Aligned with NNSA's Planning, Programming, Budgeting & Evaluation (PPBE) Process





FIRP Program Management

- **FIRP is managed per NNSA's Report to the Congress on Organization and Operations:**
 - The “**what**”: HQ Program Guidance and Project Execution Plan set requirements, criteria and expectations
 - The “**how**”: Field federal and contractor leadership propose projects, via their TYCSPs, which address site specific needs. Emergent issues are proposed as occurring. Field project teams use their individual sites' management processes to plan and execute
 - Project management follows a graded approach per DOE Order 413.3, based on complexity and size of each project: cost, scope and schedule baselines are developed by the contractor, and approved by the field contracting officer.
- **Accountability:**
 - FIRP requires field federal validation for baseline credibility, and fiscal and legal accountability
 - FIRP HQ reviews and approves each project submission
 - FIRP internally assesses its program management. Independent Project Reviews are conducted at each Site

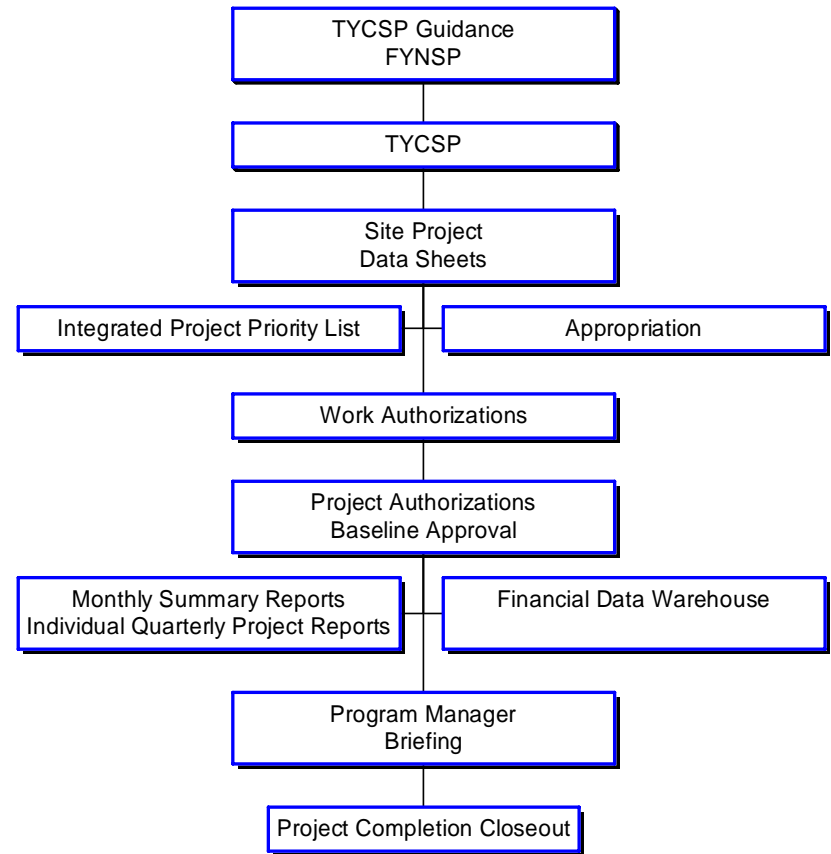


FIRP PROJECT FLOWCHART



• FIRP projects follow a graded approach of DOE O 413.3 requirements. Project management is based on formality of operations, with requirements explained in the Program Execution Plan. The Plan emphasizes HQ “what” and Field “how”, including the Site role of Federal Project Director. The Plan provides tailored guidance (example in back-up) for:

- Front End Planning
- Baseline Development
- Project Data Sheets
- Financial Reporting & Management Systems
- Periodic Project Reports
- Independent Reviews
- Baseline Change Control and Change Management
- Project Closeout Procedures





Facilities and Infrastructure Recapitalization Components



- **Recapitalization** targets the refurbishment of the nuclear weapons complex. This capital renewal and sustainability function emphasizes deferred maintenance reduction.
- **Facility Disposition** addresses NNSA's requirements for the elimination of excess facilities. This is reducing long-term risks and costs, focusing in the near term on footprint reduction.
- **Infrastructure Planning** ensures credible preparation for next year Recapitalization projects, specific infrastructure assessments, and preliminary conceptual designs.
- **FIRP Construction** funds selected utility line-item construction projects across the weapons complex to further reduce the deferred maintenance backlog and satisfy a critical need for improvement to NNSA site utilities infrastructure.



FIRP Focus on Outcomes & Accountability for Results Drives Performance

NNSA Strategic Plan

Goal 1: NUCLEAR WEAPONS STEWARDSHIP: Ensure that our nuclear weapons continue to serve their essential deterrence role by maintaining and enhancing the safety, security, and reliability of the U.S. nuclear weapons stockpile.

FIRP Goal: Restore, rebuild, and revitalize the physical infrastructure of the nuclear weapons complex

Recapitalization (Deferred Maintenance Reduction)

Long Term Goal

Eliminate \$1.2 billion of the deferred maintenance backlog by 2009 ¹



Annual Performance Indicator

Deferred Maintenance Reduction: Annual dollar value of FY 2003 deferred maintenance baseline funded for elimination; and cumulative percentage of FY 2009 goal of \$1.2 billion reduced.

Facility Disposition (Footprint Reduction)

Long Term Goal

Reduce the NNSA footprint by three million gross square feet by FY 2009



Annual Performance Indicator

Footprint Reduction: Annual gross square feet (gsf) of excess facilities funded for elimination; and cumulative percentage of FY2009 goal of three million gsf eliminated.

Efficiency Measure (Facility Condition Index)

Long Term Goal

Return the condition of mission essential facilities and infrastructure to industry standards by the end of FY 2009



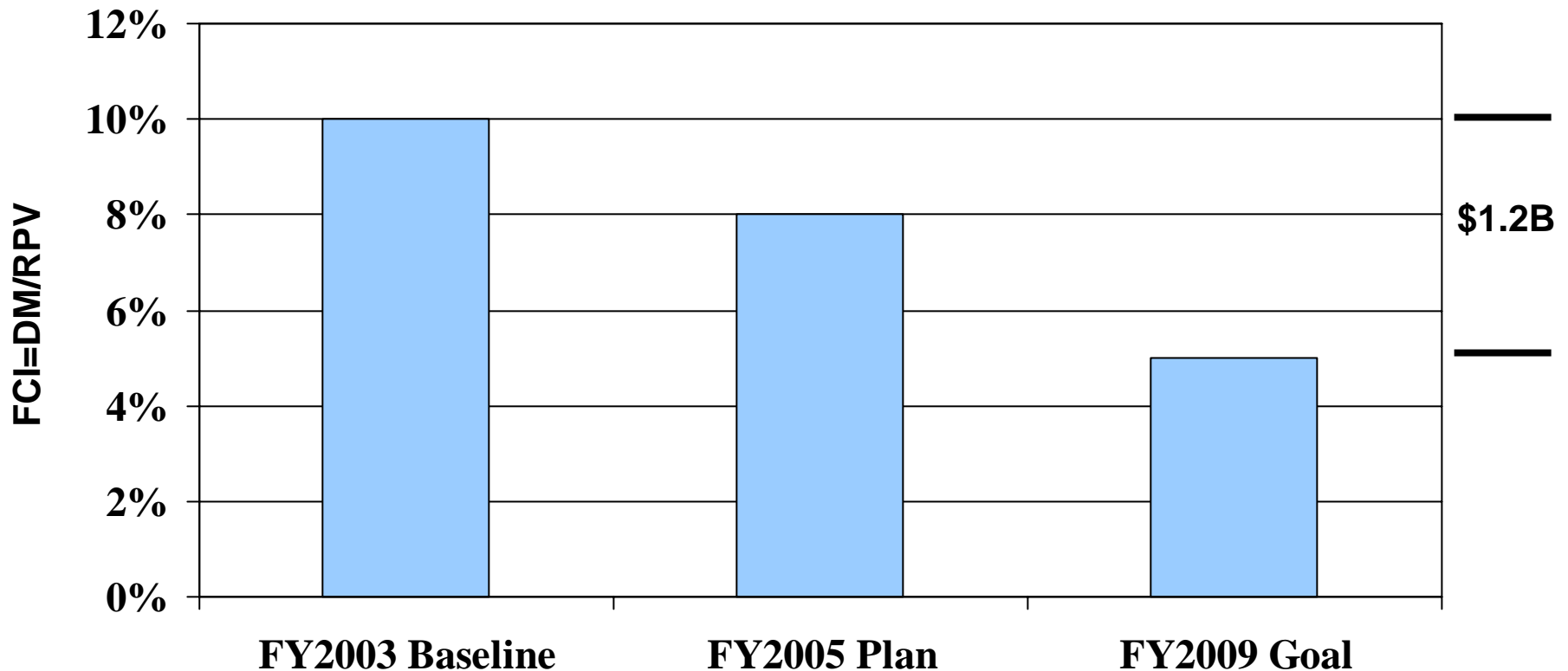
Annual Performance Indicator

Efficiency Measure. Annual NNSA complex-wide aggregate Facility Condition Index (FCI) for mission-essential facilities and infrastructure.

¹ As reported in the FY 2006 Request, the target date of 2009 has slipped due to constrained outyear funding. The NNSA intends to rebalance the outyear budget profile to ensure the program's ability to accomplish its mission and fulfill its commitment to Congress to end by 2011.



NNSA Facility Condition Index (FCI) Quantifies Recapitalization Results





Corporate Facilities Management

- **Ten-Year Comprehensive Site Planning (TYCSP)** process is the foundation of NNSA complex-wide facilities and infrastructure strategic planning. This process is OMB's best-in-class example of Strategic Planning for the Federal Government
 - Satisfies requirements of DOE Order 430.1B, Real Property Asset Management
 - Utilized as tactical and strategic planning tool for Line Item decisions
 - Supports one-up and one-down footprint planning for nuclear weapons complex right sizing
 - Defines Site priorities for FIRP line items



Corporate Facilities Management

■ Best Business Practices:

- Benchmark NNSA corporate facility management efforts with FFC, DoD, GSA, NASA, APPA
- **Instituted Roofing Partnership with NNSA sites to improve quality and reduce costs**
- Facility demolition unit costs approaching industry best-in-class
- Project reviews and improved planning have achieved significant cost savings, returning \$Ms to the Sites
- Integration of corporate and contractor facility management performance measures
- Using facilities information to establish the need for, and assess the results of, annual facilities funding



In Summary

- **The National Research Council of the National Academies, in their recently published “Intelligent Sustainment and Renewal of Department of Energy Facilities and Infrastructure,” observed:**
 - “To naysayers who contend that a consistent holistic approach is not workable at DOE, I point with professional respect the the progress made within the NNSA. While NNSA has not yet addressed every issue surrounding the integration of program and F&I needs, it has recognized F&I as an enabler. As a result, NNSA’s execution of Real Property Management is the most advanced in DOE. **In the simplest of terms: NNSA “gets it.”**”